

# 12-8-20 Advisory Committee Mtg #1

Tuesday, December 8, 2020 2:28 PM

This meeting was conducted online via GoToMeeting.

## TIME AGENDA ITEM

3:00 – 3:10 Introductions, Agenda and Meeting Objectives

3:10 – 3:25 Combined Project Overview

3:25 – 3:50 Draft Housing Needs Projection Results

3:50 – 4:10 Draft Buildable Lands Inventory Results

4:10 – 4:20 Online Survey (Buildable Lands)

4:20 – 4:55 Draft Code Audit Results

4:55 – 5:00 Next Steps

## Attendees:

CJ Koll, Neighborhood Association Presidents

Carrie Pellett

Dan Tedrow, Committee for Citizen Involvement (CCI)

Darren Gusdorf, WL resident, works construction

Drew Hanson, WL resident, Vice Chair Economic Development Committee

Erin Maxey, Habitat for Humanity

Erin Dey, DevNW Executive Director

Jean Dahlquist, Fair Housing Council and Housing Land Advocates

Jesse Knight, Planning Commission

Jim Farrell, Ex-Planning Commission

John Frankel, At large citizen, HOA president

Karie Oakes

Will Relyea, City Council Liaison

Rich Nowacki, West Linn Resident, Historic Review Board

Roseanne Johnson, Metro Homebuilders Association

Tim Young, Citizen At large

Joe Vennes, Housing Authority Clackamas County

Vicki Olson, Citizen Involvement Committee

Samuel Garcia, Oregon Department of Land Conservation and Development (DLCD)

Chris Meyer, City of West Linn

Darren Wyss, City of West Linn

Sou Garner, MIG

Alex Dupey, MIG

Brendan Buckley, Johnson Economics

Matt Hastie, Angelo Planning Group (APG)

Brandon Crawford, APG

## **Meeting Summary**

Note that the presentation is being provided as a separate attachment. This meeting summary provides a high-level overview of the project presentations and subsequent discussion. Note that much of the discussion took place in the comment (chat) bar used during the meeting, which is also captured in this summary.

## **Introductions and Project Overview**

Darren Wyss welcomed everyone and introduced the project. Matt Hastie provided an overview of the Housing Capacity Analysis (HCA) project (includes Housing Needs Projection, Buildable Lands Inventory, and Residential Lands Needs Analysis). He discussed the timeline, project funding and goals, and regulatory framework and HB 2003 background. Alex Dupey summarized the middle housing code update project, timeline, and regulatory framework for HB 2001.

## **Housing Needs Projection**

*Brendan Buckley, Johnson Economics*

Brendan Buckley discussed the following:

- The purpose of Housing Needs Projections and Statewide Goal 10 requirements
- Methodology
- Demographic trends and projections
- Income trends
- Current housing conditions
- Age of inventory
- Households spending more than 30%
- Housing affordability
- Forecasted need
  - The primary need by 2040 is for single family detached housing (644 units). There is also a need for more attached housing types in comparison to what has been developed during the past 20 years and what exists today.

One AC member had a question on timeline for adoption. Brendan elaborated that the HCA work is required to be completed by June 2021, but not required to be adopted then. Darren noted that the City of West Linn is required to adopt the HCA by end of year 2023 according to the DLCD schedule. The City anticipates adopting the HCA sooner than required. Darren will send an email to the AC with the dates the City needs to meet in order to comply with HB 2001 & 2003. Middle housing development code provisions must be updated by June 30, 2022. However, this phase of the project is considered a technical first phase of work with more community discussion and refinement of potential project recommendations planned during a second follow-up phase.

An AC member asked about the difference in vacancy rates between rental and owner. Brendan described rental vacancy between 2-3% currently, and ownership vacancy at roughly 6%. This balances out to 5% total for whole city.

There was a question on the origin of housing costs in their analysis. The median housing cost comes from the Census. Johnson Economics also does estimates on housing cost levels, including an assessment of the relative ability and comfort of households in different income ranges spending more than a certain amount of their income on housing.

An AC member asked whether been discussion of land cost in terms of middle housing. AC member notes that developers account for cost per acre for affordable housing. Brendan responded that they do not do the analysis on that granular level because it needs to be done on a community scale and that it is difficult to account for nuances associated with per site development costs which can vary significantly on a site-by-site basis. This Goal 10 process is more broad. We will address some of the impacts of different conditions on housing costs and affordability as we review and discuss potential measures to address housing needs later in the process. process. He also noted on a broader scale that adding more and smaller units will help decrease costs at a macro scale.

One AC member asked about the 30% threshold for cost burdened housing. Brendan noted that typical HNA methodology only looks at the 30% metric. This is something that the Regional Housing Needs Analysis (conducted as a separate process funded by the State) is hoping to provide more information about.

One AC member asked whether the analysis has taken climate refugees into consideration. Brendan responded they have not accounted for it, and it'd likely would be accounted for in population projections from Metro if it were addressed.

One AC member commented that the report shows 1,005 estimated new housing needed by 2040. They asked whether it's right to assume that the housing types are flexible based on location, size and preference of citizen and if there's a need to find and manage that capacity in the best way possible but not the same percentage forecasted by property type?

Brendan responded that project future housing needs will be broken down by housing type and price level. Sam Garcia, with DLCD, added that the Housing Production Strategy (HPS) prepared by the City as a follow-up to the HCA process also will need to break down need specifically for a) residents experiencing homelessness, b) living with disabilities, and c) communities of color.

One AC member asked what is the difference between duplex and single family attached. Another AC member responded that a duplex is a structure bought and sold as one building, with two rentals. Attached homes are fee-simple, meaning they can be bought and sold individually. With HB2001 administrative rules about to be adopted (tomorrow), cities will be able to define 'duplex' as two units

on a parcel, meaning they can be detached or attached. That will be one of the City's options in addressing HB 2001 guidelines and requirements.

## Buildable Lands Inventory

*Matt Hastie, APG*

Matt Hastie discussed the following:

- BLI overall methodology
- Legal framework and methods
- BLI steps, which include identifying constraints, classifying land, determining development status, and determine development capacity. Ultimately the team found that:
  - There were 706 parcels that have development capacity (vacant or infill)
  - Roughly 198 acres of vacant or infill, which could accommodate an estimated 1,259 dwelling units
- Matt covered the next steps for the project, which includes online outreach and the Draft Residential Lands Needs Analysis as the immediate next steps.

One AC member asked whether there is an alternative, that shows infill possibility if you upzone the properties? So like a chart, option A) current zoning, option B) upzone plan. Because if you upzoned land in certain areas, that would change the equation as to what would be possible. Brandon responded that APG didn't use that type of alternative to infill potential. However the density assumptions were slightly higher than what the city currently allows to account for HB 2001 implementation which assumes that some amount of "middle housing" will be developed in areas previously zoned only to allow for single-family detached homes.

An AC member asked to what extent, if any, was the Clackamas County baseline HNA and BLI webmap used? APG consulted their findings but decided to follow the Metro Urban Growth Report (UGR) methodology more closely to be more consistent with West Linn's regulations, particularly for how the city deals with natural resource constraints and hazards.

An AC member asked if APG accounted for other lands that could be annexed into the city? Matt responded that we generally did not because the city limits correspond with the UGB in most cases and/or borders other cities to the northeast (Lake Oswego). Land not annexed will default to Clackamas County's housing strategy. APG will update the inventory to account for non-annexed islands in the City, however. These areas currently have Clackamas County zoning, but West Linn Comprehensive Plan designations that indicate likely zoning designations subsequent to future annexation. AC member responded that it seems like some planned densification might be necessary if the city ever would want to apply for a UGB expansion.

An AC member noted they heard that there is a future desire is to grow rental housing. They asked if there has been any analysis performed on the impact of the newly implemented renter protection laws and their impact on the availability of rental housing? Especially those rental houses that are owned by families? They asked because the few people they know with rental homes (in Portland) have sold them due to the new laws, reducing the availability of rental housing. This was due to their risk of defaulting on their mortgage if the renter stopped paying rent and was allowed to stay in the home for an extended period of time due to the new rental protections. Another AC member responded that rental housing feasibility is far more connected to a good clear and objective development code provisions, and the reliability of the approval process, than the new renter laws enacted in Portland. Though, the new laws have changed investment strategies to treating ownership housing as more of a core long term investment, as opposed to a re-investment strategy. This is actually good, as older more affordable housing is likely to stay that way.

An AC member asked whether the hardship provision of WL WRA code reducing restrictions on constrained lands factored into the BLI? APG didn't account for that provision, however we deducted acreage from the buildable inventory at different rates based on the level of development that is allowed on different types of constraints (e.g. floodplain vs. Title 13 land). APG also assumed that fully constrained parcels could accommodate at least one unit.

Brandon shared the webmap link and Matt noted that the map is not complete, and therefore requested that AC members do not make any changes to the webmap information until City staff and consultant teams have reviewed it further and given AC members the go-ahead to comment on it directly. Matt also asked the group to refrain from sharing it with people outside of this group to allow for tighter control and management of the data.

### **Middle Housing Code Audit**

*Sou Garner and Alex Dupey, MIG*

Sou covered the following in her presentation:

- Background of the project and HB 2001 – Middle Housing Bill
- Middle housing types that are required for the City, which include duplex, triplex, quadplex, townhomes, and cottage cluster
- Discussed process for code and Comprehensive Plan review based on OAR 660-046 requirements
- Discussed land use planning hierarchy, from comp plan (general, long term) to permitting (short term, detailed)
- Covered existing groups of residential zones, definitions of housing types, and the approval process
- Discussed findings, which include adopting middle housing definitions, requiring clear and objective standards, adjusting dimension standards to allow for more middle housing, allowing middle housing in SFH zone, and not subjecting middle housing to design review if single family is not subject to same process and it is discretionary
- Discussed next steps, which include finalizing code audit and initiating work on code concepts

An AC member asked what is the remedy for jurisdictional noncompliance with OAR 660-046? Matt and Alex responded that if city does not comply, then Model Code is applied to any future residential development in whole or in part. For example, if most of the City's code complies with the state standards, but only a portion of the code is not in compliance, the model code would only address standards that are not in compliance. The Model Code and the administrative rules governing compliance with HB 2001 are scheduled for adoption tomorrow (12/9). *Note: The proposed rules were adopted on 12/9 by the Oregon Land Conservation and Development Commission with a small number of revisions to the draft rules proposed by staff, Commissioners and stakeholders.*

An AC member asked if the City is not allowed to require design review for middle housing. Alex and Matt responded that in many cases, standards for middle housing cannot be more restrictive than those for single family detached (SFD) homes. So if there's no design review required for SFD development, then there cannot be for middle housing. In addition, all communities in Oregon must apply a set of clear and objective standards and a non-discretionary review process to all housing types. As a result, the state requires a non-discretionary review process for middle housing in most zones. City currently requires Design Review before the Planning Commission for "multi-family housing" which is defined as three (3) or more attached units.

Alex also clarified that the next piece of the project will focus on solutions, and this step just identifying issues. Future meetings will likely cover more in terms of specifics on code updates.

One AC member asked whether it would be helpful for to provide the copy of Bend's HB 2001 code updates? Through state review process, that was the largest city they could find who looked at this. A lot of the other cities who have passed these required code changes are smaller and thus more simple. It's local file number 20-0526. It is nice to have an example, and they have a nice summary of the requirements. Matt and Alex responded that Bend has adopted a number of amendments to accommodate middle housing, but they haven't adopted everything that's required by the state, mainly because the minimum compliance standards have not been adopted yet. They also noted that many cities around the state are currently going through a similar process, so not many examples are out there yet but more and more examples will be available as the project proceeds. It will be useful to look at these cities for examples as we move forward, however.

One AC member asked whether the City has defined aesthetic factors. An AC member responded that the city has not defined aesthetic factors; we could define broad or limited criteria, maybe link to NAPs?

### **Next Meetings**

Matt noted that subsequent meetings will likely be longer because we'll be looking for feedback and will have more issues for discussion by the AC. If we continue to conduct combined meetings they could be fairly long (e.g., 3 hours). Separate meetings likely would be shorter in length (1 ½ to 2 hours), but we'll have to schedule more of them.

One AC member thinks we'll be able to be more focused with separate mtgs. Most participants agree and think we should do separate meetings. They also agreed that it would be OK to have meetings in consecutive weeks but there is not as much interest in having two meetings in one week. The team and City staff will get meetings scheduled well in advance for everyone's calendars. We'll map out a schedule of meetings in next couple of weeks. Late afternoon meeting time appears to work for most people. One AC member prefers 3:30 instead of 3:00, so we'll likely do 3:30 start times.

We can send out more doodle polls for meeting days. We'll do our best to get things out ten days in advance and will commit to always sending materials out at least one week in advance of each meeting.

One AC member asked what are the broad level questions this group will be asked with regards to each House Bill?

Matt responded that we will want input on potential measures to address housing needs. These can include strategies related to financing, code updates, land supply, partnering with other organizations. We will also talk about possible changes to housing policy in the Comp Plan.

Alex responded that they will have to update code but can keep it in line with how West Linn's code is already organized. Keep it consistent with West Linn style.